



DSPACE

<https://dspace.org/>

**Corporate social responsibility towards customer on
employer branding in selected tea factories in Kericho
county, Kenya**

Chelangat, 1Winny; Rop, Williter; Sang, Hellen

2020

<http://ir-library.kabianga.ac.ke/handle/123456789/287>

CORPORATE SOCIAL RESPONSIBILITY TOWARDS CUSTOMER ON EMPLOYER BRANDING IN SELECTED TEA FACTORIES IN KERICHO COUNTY, KENYA

¹Winny Chelangat, ²Dr. Williter Rop, ³Dr. Hellen Sang

Abstract: Corporate Social Responsibility (CSR) basically refers to what is done by organizations to positively influence the society in which it exists. This could include, healthcare initiatives, preservation of cultural heritage and beautification of cities /towns, community relations, special education/ training programs and scholarships and volunteer assistance programs. This study examined the effects of Customers Corporate Social Responsibility on employer branding in tea factories in Kericho County. The study adopted a descriptive research design to explain the existing CSR phenomenon in relation to employer branding. The target population of 5002 stakeholders of the tea factories was selected purposively to cater for those populations that had experienced the effects of CSR. A sample of 370 respondents was randomly selected based on Yamani. Data was obtained from self-structured questionnaires with close-ended questions. Analysis of qualitative data was done manually using thematic summaries and presentation. Quantitative data was analyzed using descriptive and inferential statistics aided by International Business Machines (IBM) Statistical Package for Social Scientists (SPSS) statistical computer package version 22 then presentation was done using frequency tables. The study concludes that customer social responsibility have positive and significant effects on employer branding.

Keywords: Community, Corporate Social Responsibility, Customer.

1. INTRODUCTION

1.1 Background to the Study

Corporate Social Responsibility (CSR) refers to what is done by organizations to positively influence the society in which it exists. It is a relatively new approach towards recruiting and retaining the best possible human talent within an employment environment that is becoming more competitive, Backhaus and Tikoo, (2004). This could include, healthcare initiatives, preservation of cultural heritage and beautification of cities /towns, community relations, special education/ training programs and scholarships and volunteer assistance programs. The idea is basically giving back to the society what the business has taken in the pursuit of creating wealth. CSR is viewed as a strategic tool of responding to various expectations of multiple stakeholders (Lai, Chiu, Yang & Pai, 2010; Maden, Ariken, Telci & Kantur, 2012).

Developing CSR projects helps organizations to build reputation amongst internal and external stakeholders and through attracting talent, recruiting, retaining and motivating employees. Companies which do not recognize this and even respond appropriately will put their bottom line and survival at risk (Ghoshal and Moran, 1996). Engagement with stakeholders enhances and sustains a firm's revenue generation through improved relationship with customers, employees and other stakeholders, Harrison and Wicks, (2013). Employer brand refers to the image of an organization as 'a great place to work' in the mind of current employees and key stakeholders in the external market which includes, candidates, customers, clients and other key stakeholders. Therefore, the art and science of employer branding is concerned with the

attraction, engagement and retention of initiatives whose target is to enhance a company's employer brand, (Minchington, 2010). According to Sullivan (2004), employer branding is considered a long term strategy used to manage the perception and awareness of existing employees, potential employees and related stakeholders with regards to particular firms. The increased focus on employer branding is highlighted in the 2007-2008 Trends List from the Society for Human Resource Management, as a strategy being used in today's competitive business environment.

1.2 Statement of the Problem

There is an increasing significance of CSR globally. According to Bustamante (2014), CSR plays a potential role of branding an employer by making an employer an attractive place to work. However employers in many tea factories have not exploited CSR as a branding strategy. In addition various studies on effect of CSR on employer branding have been done in different sectors except in the tea factories which has not been used yet it is an instrument which differentiate a company from its competitors in the eye of current and potential employees (Petkovic, 2008). Employer branding shows a firm's uniqueness, encourages employees that their company is a good place to work at and allows the firm to differentiate itself from competitors (Seghal and Malati 2013). To consider the efficiency and company image in the use of CSR the indicators are stakeholders, that is, employees, customers, community and shareholders. Various studies have been done in different sectors, for example, in the information technology industry, in telecommunication sector, in Small and Medium Enterprises (SMEs), in institutions and service firms. This study therefore sought to determine the effect of corporate social responsibility towards customer on employer branding in selected tea factories in Kericho County.

2. CUSTOMER SOCIAL RESPONSIBILITY AND EMPLOYER BRANDING

Consumers represent an important stakeholder group and therefore directing CSR activities, companies need to adopt a customer-centered approach. It is the social responsibility of a business to ensure safeguarding of consumers through customer care, product quality, pricing, information and feedback. According to Sweeney (2009), CSR affects consumer attitude towards a product and the firm. Consumer information about the safe and responsible use of products is very critical for customer loyalty. It is the obligation of producers to inform the users about foreseeable misuse of products and dangers that can arise during operation as well as warning them accordingly using warning sticks and manuals, Ibrahim (2014). According to Lawrence and Weber (2011), consumer pressure comprises consumer protection, after sales services, provision of consumer information and the expectation that companies will produce safe products.

Product safety and quality is assured through standardization mark and QMS (ISO 9001). Standardization mark is strategic in that particularities (features, value for money, serviceability and aesthetics) combine to conform to customer expectations. Quality is seen from two perspectives; conformance to expectation (the customer side) and conformance to specification (the supplier side), (Cruz & Ramos, 2015 Yin et al., 2013). Customer stakeholder responsibility best practice involves ensuring service excellence and product quality in terms of timely customer feedback and, technology and sustainable product (Yin et al., 2013). Consumers are concerned about their environmental and social conditions under which their products and services are produced and tend to express their preference through their purchase behavior, Pedersen (2015).

According to Sen and Bhattacharya (2001), customers tend to view organizations which carry out CSR activities in a positive way and tend to identify with them. The positive customer discernments leads to customer satisfaction and loyalty. A firm's strategic management agenda focuses on customer loyalty and management of attrition. Firms develop long-term and mutually beneficial plans by creating and maintaining the loyalty of customers, Aaker (1996). Customer loyalty may be described as the ability of customers to continuously believe that an organization's product or service remains the best option to them. Whenever they face the decision to purchase, they take the option. In addition, loyalty refers to the ability to stick to company's products or services despite the existing problems because of the company's goodness to them in the past and how their issues are addressed when they raise. It is the customer's willingness to do business with the company.

Loyal customers get products or services which they require and believe to be superior to those of competitors. Such customer mindsets go beyond normal interactions but believe that there is a bigger relationship with the firm than the products or services which they buy and thus increases brand loyalty and creates customer satisfaction. According to Galbreath (2009), customers develop perceptions on forms through CSR initiatives which impact on customer satisfaction, word-of-mouth, product use, expectations based on advertising and service interaction. Companies that

implement CSR practices are higher in terms of brand image and reputation compared to companies that do not, Nzulwa (2013). This study examined customer gains from the CSR practices of the firms from various perspectives which include, customer service, quality assurance, pricing, procedures of resolving complaints, information and feedback.

3. SOCIAL RESPONSIBILITY OF CUSTOMERS AND EMPLOYER BRANDING

Table 1: Descriptive Statistics on Social Responsibility of Customers and Employer Branding

	Mean	Std. Deviation	Analysis N
Customers have their orders supplied on time without delay	2.0531	1.16195	358
Whenever goods are being packaged, it is ensured that they are of the right quantity	2.2626	1.13429	358
The quality of the goods given to the customers is that requested by them or that relevant to the amount they pay	2.3101	1.31846	358
Customers are charged the right price for the products they buy	2.5363	1.44267	358
Whenever customers make inquiries, they are given relevant feedback within the right time	2.0810	1.21689	358
Customers have never raised any complaint regarding the products and services given to them.	2.1425	1.11236	358
Customers have always been satisfied by the products and services given to them	2.2179	1.36893	358

Source: Research Data (2019)

According to the descriptive statistics findings on customer social responsibility and employee branding in table 1, tea factories charge customers the right price for the products they buy had a mean of 2.5363, the quality of the goods given to the customers is that requested by them or that relevant to the amount they pay had a mean of 2.3101, whenever goods were being packaged, it was ensured that they were of the right quantity had a mean of 2.2626, Customers were always satisfied by the products and services given to them had a mean of 2.2179; whenever customers made inquiries, they were given relevant feedback within the right time had a mean of 2.0810 and customers had their orders supplied on time without delay had a least mean of 2.0531.

These findings were supported by Aaker (1996) who noted that a firm's strategic management agenda focuses on customer loyalty and management attrition and that firms develop long-term and mutually beneficial plans by creating and maintaining the loyalty of customers. Moreover, the finding were supported by (Yin et al., 2013) whose study concluded that customer stakeholder responsibility best practice involves ensuring service excellence and product quality in terms of timely customer feedback and, technology and sustainable product

Table 2: KMO and Bartlett's Test on Social Responsibility of Customers and Employer Branding

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.770
Approx. Chi-Square		752.143
Bartlett's Test of Sphericity	Df	21
	Sig.	.000

Source: Research Data (2019)

From the results of table 2 on KMO and Bartlett's Test on social responsibility of customers and employee branding, the results of KMO measure is 0.770, which is between 0.7 and 0.8 therefore it can be accepted. The Bartlett's Test Of Sphericity is significant (0.00), the significance is less than 0.05 which is small enough to reject the null hypothesis. This means that correlation matrix is not an identity matrix.

4. CUSTOMER SOCIAL RESPONSIBILITY AND EMPLOYER BRANDING

Tea factories need to supply customer's orders on time and whenever customers' goods are being packaged; they do it in the right quantity relevant to the amount paid. The tea factories customers often raise complaint regarding the products and services given to them; they ought to be given relevant feedback within the right time when they make inquiries.

5. RECOMMENDATIONS

The study recommends that customer social responsibility through quality assurance, product information and customer feedback to ensure customer satisfaction and loyalty.

Similar research on other sectors of the economy could be considered, especially the service sector including health, insurance and hospitality sectors. A similar research can also be done with a focus on other stakeholders, for example, government, suppliers and investors.

REFERENCES

- [1] Aaker, D.A (1996). *Building Strong Brands*. New York: The Free Press.
- [2] Agarwal, S. (2008). *Corporate social responsibility in India*. New Delhi: Sage Publications PVT. Ltd.
- [3] Aguilera, R.V., Rupp, D.E., Williams, C.A. & Ganapathi, J. (2007). *Putting the S Back in Corporate Social Responsibility: A Multi-Level Theory of Social Change in Organizations*. *Academy of Management Review*, 32, 836-863.
- [4] Ainspan, N. & Dell, D. (2001). Engaging Employees through Your Brand. *Conference Board*, p. 502.
- [5] Albinger HS and Freeman SJ (2000) *Corporate Social Performance and Attractiveness as an Employer to Different Job Seeking Populations*. *Journal of Business Ethics*, 28, 243 – 253.
- [6] Ali, I., Rehman, K.U., Ali, S.I., Yousaf, J. & Zia, M. (2010). *Corporate Social Responsibility Influences, Employee Commitment and Organizational Performance*. *African Journal of Business Management*, 4, 2796-2801.
- [7] Ambler, T., Barrow, S., (1996), “The Employer Brand”, *Journal of Brand Management* 4 (3), 185-206.
- [8] Becchetti, L.; Ciciretti, R. & Hasan, I. (2007): —Corporate Social Responsibility and Shareholder’s Value: An Event Study Analysis. Federal Reserve Bank of Atlanta. Working Paper. JEL G4, D21, L21.
- [9] Bénabou, R. & Tirole, J. (2010) *Individual and Corporate Social Responsibility*. *Economical*, 77, 1-19.
- [10] Buciniene, I. & Kazlauskaitė, R. (2012). The Linkage between HRM, CSR and Performance Outcomes. *Baltic Journal of Management*, 7, 5-24.
- [11] Cheruiyot, T. K. & Maru, L. C. (2012). Employee social responsibility practices and outcomes in Kenya’s tourist hotels. *African Journal of Economic and Management Studies*, 3(1), 23–41.
- [12] Cochius, T. (2006) *Corporate Social Responsibility in Dutch SMEs*. Unpublished Thesis, Maastricht University, Maastricht.
- [13] Ligeti, G. and Oravecz, A. (2009) CSR Communication of Corporate Enterprise in Hungary. *Journal of Business Ethics*, 84, 137-149.
- [14] Crowther, D. and Aras, G. 2008. Corporate social responsibility. Gulaer Aras and Ventus Publishing APS.www.bookboon.com.
- [15] Dokania, A.K. & Pathak, G.S. (2013). Corporate social responsibility and employer branding: A case study of Indian information technology industry. *Human Resource Management*, 2, April.
- [16] Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Boston, MA: Pitman.
- [17] Ghoshal, S. & Moran, P. (1996). Bad for practice; A critique of the transaction cost theory. *Academy of Management*, 21: 13-47.
- [18] Greenings, D. W., & Turban, D.W. (2000). Corporate Social Performance as competitive advantage in attracting a quality workforce. *Business and Society* 39(3), 254-280.
- [19] Gujarati, D., & Porter, D. (2010). *Essentials of Econometrics* (4th ed.) New York: MC Graw Hill.
- [20] Hatch, M and Mirvis, P. (2010). Designing a positive image: corporate branding and social responsibility, pp. 35-55.

- [21] Hohnen, P. (2011). *Corporate Social Responsibility: An Implementation Guide for Business*. Boston, MA: International Institute for Sustainable Development.
- [22] Hoskins. T. (2005). *The ICSA corporate social responsibility handbook: Making CSR work for business*. London: ICSA.
- [23] Johnson, M. W., & Scholes, C. (2011). *Exploring Strategy: Text & Cases*. New York, NY: Prentice Hall.
- [24] Kothari, C. R., & Guarav, G. (2014). *Research Methodology: Methods and Techniques* (3rd ed.). India: New age techno press.
- [25] Kim S.Y. & Park H. (2011). Corporate Social Responsibility as an Organizational Attractiveness for Prospective Public Relations Practitioners. *Journal of Business Ethics*, 103(4) 639 – 653
- [26] KPMG (2008) KPMG International Survey of Corporate Responsibility Reporting 2008.
- [27] Lioryd, S. (2002), .Branding from the Inside Out., *Business Review Weekly*, Vol. 24, No. 10, pp.64-66.
- [28] Masa'deh, R. (2016) The Role of Emotional Intelligence in Enhancing Organizational Effectiveness: The Case of Information Technology Managers in Jordan. *International Journal of Communications, Network and System Sciences*, 9, 234249.
- [29] Misani, N. (2010). The Convergence of Corporate Social Responsibility Practices. *Management Research Review*, 33, 734-748.
- [30] Mugenda, A. (2008). *Social Science Research*. Nairobi: Acts Press.
- [31] Mugenda, O. M., & Mugenda, A. G. (2003). *Research Methods: Quantitative & Qualitative Approaches*. Nairobi, KE: Acts Press.
- [32] Njenga, E. (2015, March 1). Corporate Social Responsibility is more than philanthropy. *Biashara Leo*, pp. 20-21.
- [33] Okeudo, G. N. (2012). Effect of Corporate Social Responsibility on the Society. (Using Shell Petroleum Development Company as a Case Study). *British Journal of Science* Vol. 3 (1) pp 156-163.
- [34] Omran M. A. & Ramdhony D. (2015). Theoretical Perspectives on Corporate Social Responsibility Disclosure: A Critical Review. *International Journal of Accounting and Financial Reporting*, 5(2), 38 – 55.
- [35] Orts, E. And Schulder, A. (2002). The Ethical and Environmental limits of Stakeholder Theory *Business Ethics Quarterly* 12(2), 215.
- [36] Pedersen, E. (2015). *The anatomy of CSR*. New Delhi: Sage publications.
- [37] Porter, M., & Kramer, M (2011). Creating shared value. *Harvard Business Review*, 89(1), 62-77.
- [38] Sasaka, P., Namusonge, G., & Sakwa, M. (2014). Effects of strategic management practices on corporate social responsibility performance of parastatals in Kenya. *European Journal of Business and Innovation Research*, 2(1), 106-128.
- [39] Saunders, M., Lewis, P., & Thornhill, A., (2012). *Research methods for business students* (6th ed.). Harlow, England: Parson Education Limited.
- [40] Schaufeli, W.B., Schaufeli, A.B. & Salanova, M. (2006). The Measurement of Work Engagement with a Short Questionnaire. *Educational and Psychological Measurement*, 66, 701-716.
- [41] Sternberg, E. (1996). *Stakeholder Theory Exposed*. Corporate Governance. Quarterly 2(1): 4-18.
- [42] Sullivan, J. (2004), "Eight Elements of a Successful Employment Brand", *ER Daily*, 23 : 501–17.
- [43] Tang, L., Gallagher, C. C., & Bie, B. (2015) Corporate Social Responsibility
- [44] Communication Through Corporate Websites: A Comparison of Leading Corporations in the United States and China. *Journal of Business Communication*, 52(2), 205-227.

- [45] Tilakasiri, K. (2012). *CSR and Corporate Performance: Evidence from Sri Lanka* Unpublished PhD thesis, Melbourne: Victoria University.
- [46] Tizro, A., Khaksar, E., & Siavooshi, M. (2015). The impact of social responsibility on corporate performance: The study of cement factory in Fars province. *Management and Administrative Sciences Review*, 4(3), 539-554.
- [47] Towers Perrin (2009) Corporate Social Responsibility: It's No Longer an Option.
- [48] Turcsanyi, J. and Sisaye, S. (2013) Corporate Social Responsibility and Its Link to Financial Performance. *World Journal of Science, Technology and Sustainable Development*, 10, 4- 18.
- [49] Vratskikh, I., Masadeh, R., Al-Lozi, M. and Maqableh, M. (2016) The Impact of Emotional Intelligence on Job Performance via the Mediating Role of Job Satisfaction. *International Journal of Business and Management*, 11, 69-91.
- [50] Wafula, W. J. (2012). Corporate Social Responsibility. *A Perspective of Kenyan Firms*, 38-52.
- [51] Yin, J., Rothlin, S., Li, X., & Caccamo, M. (2013). Stakeholder perspectives on corporate social responsibility (CSR) of multinational companies in China. *Journal of International Business Ethics*, 6(1-2), 57-71.